



TENNESSEE DEPARTMENT OF EDUCATION
Division of Special Education

5th Floor, Andrew Johnson Tower
710 James Robertson Parkway
Nashville, Tennessee 37243-0375

MEMORANDUM

TO: Director of Schools
FROM: Joseph Fisher, Assistant Commissioner
SUBJECT: Additional Funds for High Cost Students
DATE: April 30, 2001

Additional funds for high cost children with disabilities are subject to the availability of federal funds. First priority needs for the use of additional funds will be considered before going to the second priority, and the second before the third. The priorities for the distribution of additional funds to school systems applying for the 2000 - 2001 school year are as follows:

1. **Out-of-system residents placed in a school district by a state agency.** This includes such state agencies as the Department of Human Services, the Department of Mental Health and Mental Retardation, the Department of Children's Services and the Department of Health. Federal grants from additional funds are 100% of the excess cost. **This only applies to those students placed by a state agency for the first year of service in a school system. After the first year, those students generate federal and state dollars as any other children with a disability. If any of these students meet the criteria for Priority 3 children, they can be submitted as such.**
2. **Children appropriately placed in State Department of Education Special Schools who require additional expenditures from the local school system.** State Department of Education Special Schools include Tennessee School for the Blind, Tennessee School for the Deaf and West Tennessee School for the Deaf. Federal grants from additional funds are 100% of the excess cost.
3. **Very high cost children with disabilities who are the responsibility of the school system when the excess cost is 150% greater than the total funds available on a specific student.** Federal grants from additional funds may be 60% or less of the excess cost.

Special needs cases, as determined by the Department of Education, Division of Special Education, will be considered in addition to the above listed priorities. When applying for Priority 3, very high cost students, school systems will be allowed a maximum of .6% of the December 1, 1999, census count for total number of students served.

School systems with a December census count of less than 600 will be allowed to submit up to three (3) high cost students under Priority 3. All disbursements for Priority 3 students will be dependent upon the availability of funds. Other requests that are not covered by these guidelines may be presented by the Director of Schools to Joseph Fisher in the Division of Special Education for consideration.

These additional federal funds are distributed to school systems based on special education expenditures from the General Purpose School Funds, but not from IDEA, Part B and/or Preschool Grant funds. These additional funds must be budgeted and expended as General Purpose Funds in the 71200 and 72220 series for audit purposes. This additional grant is a part of the total special education general purpose budget and will be included in the review for maintenance of effort.

Attached you will find "Priorities for the Use of Additional Funds," "Guidelines for Determining the Excess Cost of Special Education Programs," and sample forms with examples of children who do and do not meet the criteria for very high cost children (Priority 3). **Please read the new "Guidelines for Determining the Excess Cost of Special Education Programs" on page five.** Excess costs are those expenditures beyond those provided to the majority of children with disabilities within the system. Expenditures not following these guidelines will be deleted from the actual excess cost on submitted forms.

When submitting a request for additional funds, the applicable enclosed forms listed below must be completed:

1. Certification - Must be signed by the Director of Schools. One form may be signed for all requests.
2. Information Required on Each Child Placed by a State Agency and Each Child Placed in a State Special School - (Report Form A)
3. Information Required on Each Child Who is the Responsibility of the Local School System - (Report Form B)

The required information should be submitted to the Management Consultant in the district office serving your school system. **All requests must be submitted by June 30, 2001.**

If you have any further questions contact Nan McKerley at (615) 741-7796.

jf/bt

cc: Jeff Roberts
Nan McKerley
Special Education Supervisors
Management Consultants

**PRIORITIES
For the Use of
ADDITIONAL FUNDS
2000-2001**

1. **FORM A - Out-of-System Residents Placed by a State Agency** - When out-of-system children with disabilities are placed in a group or foster home in a school system which is not the resident system, the school district where the children are placed is to follow the required procedures and provide the appropriate educational services. The receiving school system can either contract with the system of residence or report the children on the census program as soon as possible, depending on the circumstances. When these children are reported on the census, any additional funds received for these children are based on the excess cost of the program. Read page 5 to determine those expenditures which may be included in the excess cost of the program. **These students can be reported for additional funds only for the first year they are receiving services in the school system.** Use Report Form A to provide documentation of expenditures. Educational services for such children may be provided in one of the following ways:
 - a. The program is provided in the school system in which the child is placed. Since such placements are frequently short term, it may be necessary to determine program costs on a daily/monthly basis.
 - b. The school system where a child is placed is not able to provide an appropriate program and must contract for a full-time special education program or for a particular service.
2. **FORM A - Children Placed in State Department of Education Special Schools** - When children are placed through appropriate procedures in a State Department of Education Special School, the school system of residence may be required to provide additional services to assure that each child has an appropriate special education program. Since school systems do not generate Federal funds or State funds for these children, the amount expended by the school system may be paid by excess cost funds. Use Report Form A and provide documentation of expenditures.
3. **FORM B - Very High Cost Children with Disabilities Who Are the Responsibility of the School System** - Some children require extensive and costly special education and related services that create a severe financial burden on the school system. Additional funds, if available, may be used to assist in the provision of such a high cost program when the excess cost is 150% greater than the total funds available for a specific child. This can be determined by **multiplying the total funds available for the child (Form B, #8) by 250%.** This amount must be less than the actual excess cost of the program (Form B, #9) in order to meet the criteria. Disbursement from additional funds will then be 60% or less of the excess cost of the child's program. Use Report Form B to provide documentation of expenditures. Sample forms are attached with examples of children who do and do not meet the criteria for very high cost children.

Read page 5 to determine those expenditures, which may be included in the excess cost of the program.

- a. When a high cost child moves into a school district from out-of-state or from another school district, additional funds may be available to assist that school system when additional high-cost expenditures are required. Assistance from additional funds can only be provided when the child requires services, which exceed the excess cost criteria as indicated above. Documentation must be provided to justify the need for such services and the cost of the program. The school system should count the child on the census as soon as possible to generate state and federal funds. Use Report Form B to provide documentation of expenditures.
- b. Occasionally, a school system has a child who requires an exceptionally high cost program, which creates a financial burden on the school system. Such a child may require a full-time staff person, private residential placement, multiple services, etc. Additional funds may be available to assist with the excess costs of such a program. Use Report Form B to provide documentation of expenditures.

In addition to these priorities, special needs cases, as determined by the Department of Education, Division of Special Education, will be considered.

NOTE: Do not submit more Report Form B's than the maximum .6% of the December 1, 1999 census count or more than three (3) if your census count is less than 600.

**GUIDELINES
FOR DETERMINING THE EXCESS COST
OF SPECIAL EDUCATION PROGRAMS
2000-2001**

1. Cost of a Program for a Very High Cost Student (Priority 1 & 3)

When additional high cost expenditures are required to provide a special education program for a child, documentation must be provided to justify the need for such expenditures and the cost of the program. Expenditures incurred by the LEA can only be those expenditures above and beyond those provided to the majority of children with disabilities within the system. These exceptions **may include** services/equipment as follows:

- a. One-on-one assistance from an ancillary person.
- b. Specialized equipment that the school does not already have.
- c. Special transportation exceeding requirements of special education buses/vans.
- d. Multiple related services (contracted).
- e. Salaries for Special Education teachers, teachers' assistants: only when a new class must be created to accommodate a child or group of children (pro-rate/child).

Not to be included in expenditures for a high cost student:

- a. Pro-rated salaries for teachers or teaching assistant already providing special education services.
- b. Pro-rated salaries of related services personnel already providing services.
- c. Pro-rated salaries of special education bus drivers and aides already providing services.
- d. Pro-rated time for administrative participation (IEP meetings, counseling, etc.)
- e. Specialized equipment/materials already provided by the school system.
- f. Time of school psychologist, counselor, and/or director/supervisors/principal for administrative duties, meetings, etc.

II. Cost of Contractual Services for an Eligible Student

The cost of a program for an eligible student provided through a contractual arrangement will be determined by the cost of special education and related services paid by the responsible school system.

**GUIDELINES FOR DETERMINING FUNDS
FOR ELIGIBLE STUDENTS
2000-2001**

GENERAL PURPOSE

1. This amount is based upon Total State and Local Funds on Page 15(c) (1) divided by the Grand Total of students (3-21) on Page 1 of the 2000-2001 Comprehensive Plan.
2. The amount (from # 1 above) should be used when a high cost student has been reported for the 2000-2001 school year.

School System	Amount
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FEDERAL FUNDS

The following amount should be used when a high cost student has been reported on the December 1, 1999 census:

6-21 year olds:	\$647.00/student (Part B funds only)
3-5 year olds:	\$1,227.00/student (includes Part B and Preschool funds)

CERTIFICATION
REQUEST FOR ADDITIONAL FUNDS
2000-2001

I hereby certify that the information provided in this request for additional funds is accurate. Documentation is available in the school system to support the General Purpose expenditures which are reported in this request. I further assure that state and local funds expended for the special education program will demonstrate maintenance of effort in order to qualify for any federal funds, including additional funds. These additional funds must be budgeted and expended as General Purpose funds in the 71200 and/or 72200 series for audit purposes.

Signature of Director of Schools

School System

Date

NOTE: Submit only one form for all requests.

REPORT FORM A
2000-2001
INFORMATION REQUIRED ON EACH CHILD PLACED BY A STATE AGENCY
(OUT-OF-SYSTEM RESIDENT)
AND EACH CHILD PLACED IN A DOE SPECIAL SCHOOL

Priority 1 (*State Custody*) ☐ **Priority 2** (*TSB, TSD, WTSD*) ☐

1. Student Name _____ D.O.B. _____
2. Agency having legal custody of student _____ Parental Rights Severed:
When other than parents _____ Yes No
3. System of residence _____ Check here ☐
if preschool child
4. Agency responsible for placement _____ (ages 3-5 As of Dec. 1, 1999)
5. School attending/attended _____
6. Option of service provided this school year (2000-01)
Primary: _____ Secondary: _____
7. Reported on December 1, 1999 census Yes No
8. Excess cost of program for school year (2000-01) _____
9. Funds to be deducted from excess cost for student
 - a. General Purpose (amount on page 6) _____
 - b. Federal Funds (only if #7 is yes) _____
10. Total funds available (Total of Items 9 a and b) _____
11. Actual excess cost of program (difference between Item 10 and 8) _____
12. Justification of need for excess high cost services and explanation of
financial expenditures (use back of page, if needed) for Priority 1 students.
13. Documentation of excess expenditures incurred by the LEA(must meet guidelines on
page 5 for Priority 1):

<u>Specific Services</u>	<u>Period Covered by this Request</u>	<u>Excess Expenditures</u>
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CRITERIA IS METSubmission Deadline: **June 30, 2001****REPORT FORM B
2000-2001****INFORMATION REQUIRED ON A VERY HIGH COST CHILD
WHO IS THE RESPONSIBILITY OF THE LOCAL SCHOOL SYSTEM****Priority 3 Only**

1. Student Name Mark Rich D.O.B. 9-10-92
2. School attending/attended Crest Elementary Disability Hearing Impaired
3. IEP developed on (date) 9-9-00
4. Option of service provided this school year (2000-01) Check here ☐
Primary 05 Secondary 01 if Preschool child
(ages 3-5 as of Dec. 1, 1999)
5. Reported on December 1, 1999 census Yes ☒ No ☐
6. Excess cost of program for school year 2000-01 10,500
7. Funds to be deducted from excess cost for student
 - a. General Purpose (amount on page 6) 1,370
 - b. Federal Funds (only if #5 if yes) 647
8. Total funds available (Total of Items 7 a and b) 2,017
9. Actual excess cost of program (difference between Item 8 and 6) 8,483
10. Justification of need for high cost services and explanation of additional financial expenditures (use back of page, if needed).

Needs interpreter to benefit from educational programs.
11. Documentation of excess expenditures incurred by the LEA:

<u>Specific Services</u>	<u>Period Covered by this Request</u>	<u>Excess Expenditures</u>
Interpreter	9-9-00/6-2-01	\$10,500

Computations to determine if criteria met (instructions on page 3)

Total Funds Available

$$(\#8) \quad \$2,017 \quad \times \quad 250\% \quad = \quad \$5,042.50$$

This amount, \$5,042.50 is less than the excess cost, \$8,483; therefore, the criteria is met and reimbursement will be made at 60% or less of \$8,580 for this student.

CRITERIA IS NOT METSubmission Deadline: **June 30, 2001****REPORT FORM B**

2000-2001

**INFORMATION REQUIRED ON A VERY HIGH COST CHILD
WHO IS THE RESPONSIBILITY OF THE LOCAL SCHOOL SYSTEM****Priority 3 Only**

1. Student Name Lynn Davis D.O.B 11-0-97
2. School attending/attended Jarman Elementary Disability Developmental Delay
3. IEP developed on (date) 5-25-00
4. Option of service provided this school year (2000-01) Check here ☒
Primary 07 Secondary 02 if Preschool child
(ages 3-5 as of Dec. 1, 1999)
5. Reported on December 1, 1999 census Yes ☒ No ☐
6. Excess cost of program for school year 2000-01 8,036
7. Funds to be deducted from excess cost for student
 - a. General Purpose (amount on page 6) 2,010
 - b. Federal Funds (only if #5 if yes) 1,227
8. Total funds available (Total of Items 7 a and b) 3,237
9. Actual excess cost of program (difference between Item 8 and 6) 4,799
10. Justification of need for high cost services and explanation of additional financial expenditures (use back of page, if needed).
Needs interpreter to benefit from educational programs.
11. Documentation of excess expenditures incurred by the LEA:

<u>Specific Services</u>	<u>Period Covered by this Request</u>	<u>Excess Expenditures</u>
Jarman Elementary	8-28-00/6-2-01	\$8,036
Tuition and transportation		

Computations to determine if criteria met (instructions on page 3)

Total Funds Available

$$(\#8) \quad \$3,237 \quad \times \quad 250\% \quad = \quad \$8,092.50$$

This amount, \$8,092.50 is more than the excess cost, \$4,799, therefore, the criteria is not met and the system cannot be reimbursed for this student.